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E.O. 12958: N/A
TAGS: [ETRD](#) [ECON](#) [KIPR](#) [PL](#)
SUBJECT: NEED PIRATED MUSIC? FILMS? WARSAW STADIUM STILL
OPEN

REF: WARSAW 137

WARSAW 00001918 001.2 OF 002

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11. (U) Summary: The "Russian market" at the Warsaw Stadium, for years the most visible symbol of intellectual property theft in Poland, was supposed to close at the beginning of July to make way for construction of a new stadium needed for the 2012 European Soccer championship (reftel). However, the market remains open, and counterfeit goods are readily available. End summary.

The Scene at the Stadium

12. (U) On August 8, EmbOffs observed an abundance of pirated goods on sale at the market. These included:

-- Films and Music: Next to the bus stop for the Stadium a table stood laden with pirated films. Inside the Stadium, many more were openly offered. "The Bourne Ultimatum" was scheduled to open that day in Warsaw theaters, but was already on sale at the market, packaged with the other two films in the Bourne Trilogy. EconOff asked a Russian trader whether he had a copy of "The Simpsons Movie." The trader stated he did not have a copy with him, but that the "supplier" could deliver one in about 15 minutes. Polish films that have just opened in theaters here were also available. Music CDs and DVDs with four or five movies, generally grouped by genre, sold for PLN 15 (about US\$5.35). More merchandise was available than was on display. Traders regularly sidled up, murmuring, "Films? Music?"

-- Shoes: A huge number of stands offered tennis shoes with patently false Nike, Adidas and Puma markings. EconOff asked one Ghanaian trader whether he had a particular pair of "Nike" shoes in a different size. The trader produced a pair from a full duffel bag under his table. However, they were missing the painted-on Nike "swoop."

-- Clothing: Sweat shirts and similar apparel was widely available with logos such as Nike or the New York Yankees. These labels also appeared on clothing that was not sports related (for example, a midriff-baring polyester woman's clubbing tank top to which an incongruous Puma logo had been added). While the quality of the sports apparel tended to be

low, good quality jeans with Diesel, Wrangler and Armani labels were on sale, as well as very good quality "Lacoste" shirts. The "Lacoste" shirts were available for PLN 35 (about US\$12.50).

-- Cigarettes and Alcohol: EconOff noted several instances of men walking around the market with cartons of cigarettes, often Marlboros, poking out of their jackets. EconOff also observed a transaction in which, having fixed a price with a customer, a trader ran down the Stadium steps, uncovered a trash bag that had been hidden under some sticks and weeds, withdrew a bottle of vodka, returned to the customer and slipped it quickly into his shopping bag.

13. (SBU) The Stadium is owned by the Ministry of Sport, and had previously been managed by a company called Damis. However, the Damis-Ministry of Sport contract expired July 31, and was not renewed. Since then, an association of the vendors has been responsible for administering the site. One might reasonably question their zeal in policing themselves. EmbOffs observed an official placidly going from stall to stall, each openly displaying counterfeit wares, collecting the PLN 6 rent (about US\$2.14).

14. (U) The appearance of two police officers created more stir. First, a lookout yelled, "Police." Then tables emptied. EconOff observed a trader from Russia or the Ukraine hiding a bag of goods underneath a kebab stand. Next, the trader made a furious series of coordinating calls on a walkie-talkie/cell phone. When the policemen appeared, they ambled past now-cleared tables, although 10 feet away knock-off shoes and shirts remained out on display. Nevertheless, police enforcement has had some effect on trade at the Stadium. A Bangladeshi selling "Lacoste" shirts told EmbOff that the cost of having the shirts -- which are very good quality, even if cheaper than the real article -- confiscated could be ruinous, so he now brings less

WARSAW 00001918 002.2 OF 002

merchandise to the Stadium. However, he also proffered a cell phone number that could be called to place an order for shirts in advance of a future trip to the market.

How Long Can This Go On?

15. (SBU) Closing dates for the Stadium repeatedly have been announced, and then postponed. One problem is that the Polish government has not yet settled on a new location for the market and its roughly 4,000 traders. Acquiring land and making any needed improvements will eat more time. On August 7, it was reported that the market would be closed by October. However, traders told EmbOff they expect to be at the Stadium at least until the end of the year. On September 7, the Ministry of Sport's spokesman was quoted in the media saying that, according to the construction schedule, the Ministry won't need the land for a year yet. The vendors association understands that to mean they can stay for another year, although the top of the Stadium, where intellectual property piracy is at its worst, will have to be vacated sooner. Also on September 7, the Ambassador asked new Sports Minister Jakubiak about plans for the Stadium. She indicated construction of the new stadium would begin in March 2009, but offered no insight regarding the future of the market.

Does It Matter?

16. (SBU) The Stadium remains important as a symbol known worldwide of intellectual property theft. However, contacts in the Polish police, as well as representatives of the motion picture and recording industry associations, have told EconOff they are most concerned by the rise of internet

piracy, where content is downloaded illegally (often from servers in the United States, contacts state). Digital piracy is harder to control than trade in physical goods like DVDs or CDs. These contacts stated that trade at the Stadium is not on the scale of a few years ago (although one long-time observer of the market told EconOff the openness with which fake goods are offered has increased).

17. (SBU) These contacts also believe that, sooner or later, the Stadium will close, and that whatever replaces it will be an improvement. Plans call for a new trading space, wherever it may be, to be enclosed, with controlled points of entry and egress. This should make it easier to prevent bringing counterfeit goods into the marketplace. However, there is some risk that the illegal traders will simply migrate to other, smaller open-air markets already in existence around Warsaw. In any case, while the Stadium remains an intellectual property protection problem, it is no longer the epicenter of the problem in Poland.
HILLAS